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LOAN LICENSE REQUIREMENTS:

Effective January 1, 2009

A loan license is **not** required in Indiana to make loans for a business or agricultural purpose.

When a lender makes more than five **first** lien mortgage loans in a year, a **First Lien Mortgage Lending** license must be obtained from this Department before the lender makes a sixth first lien mortgage loan (See IC 24-4.4, effective January 1, 2009). This applies to a lender closing the transactions in their own name with their own funds and/or line of credit.

When a lender makes more than five **subordinate** lien mortgage loans in a year, a **Subordinate Lien Mortgage Lending** license must be obtained from this Department before the sixth subordinate lien mortgage loan is made.

Starting November 1, 2009, these Indiana loan license applications will be available through the Nationwide Mortgage Licensing System at:

<http://www.stateregulatoryregistry.org/NMLS/AM/Template.cfm?Section=Home3>

For non-mortgage consumer loans, a loan license is required if a lender is regularly engaged in making consumer loans, and regularly engaged for non-mortgage credit is more than twenty-five consumer loans in a year.

A lender wanting to make Small Loans (payday loans) must complete an application for a Small Loan license.

A loan transaction occurs in Indiana if a consumer who is a resident of Indiana enters into a loan transaction with a creditor who is based in Indiana, or if the creditor is in another state and the creditor has advertised or solicited loans in Indiana by any means, including by mail, brochure, telephone, print, radio, television, the Internet, or electronic means. See IC 24-4.5-1-201(d) (effective July 1, 2007). Assignees need a loan license if they are based in Indiana and take assignment or undertake direct collection of consumer loans that were made in Indiana. See IC 24-4.5-3-502 and 6-102.

For general definitions and information see IC 24-4.5-1-301(8), (17), (18) (20), (21); 3-104; 3-105; 3-502; 3-503; and 3-701(effective July 1, 2004). IC 24-9, pertaining to high-cost mortgage loans, was enacted effective January 1, 2005.

The statutes may be reviewed at: <http://www.state.in.us/legislative/ic/code/title24/ar4.5/>.

Loan and/or mortgage brokers (third parties finding a consumer loan with a lender on behalf of the borrower) are regulated in Indiana under the loan brokering statute (IC 23-2-5). You should contact the Indiana Secretary of State, Securities Division (317-232-6684) regarding loan/mortgage brokering. Their web site is: <http://www.in.gov/sos>

If you have questions you may contact the Indiana Department of Financial Institution at:

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317-232-3955 or 1-800-382-4880